

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02146A
Peeples Valley Water Company
15811 North 9th Avenue
Phoenix AZ 85023

RECEIVED

OCT 21 2005

AZ Corporation Commission
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) Peeples Valley Water Company

Mailing Address P. O. Box 88006
(Street)
Phoenix, AZ 85030

(City)

(State)

(Zip)

602-866-2329

602-866-0313

602-432-2516

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ursaz@aol.com

Local Office Mailing Address P. O. Box 88006
(Street)
Phoenix, AZ 85080

(City)

(State)

(Zip)

602-866-2329

602-866-0313

602-432-2516

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ursaz@aol.com

MANAGEMENT INFORMATION

Management Contact: Richard Darnall Manager
(Name) (Title)

P. O. Box 88006 Phoenix, AZ 85080
(Street) (City) (State) (Zip)

602-866-2329

602-866-0313

602-432-2516

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ursaz@aol.com

On Site Manager: Robert Heckman
(Name)

P. O. Box 938 Yarnell, AZ 85362
(Street) (City) (State) (Zip)

928-427-9446

928-427-9446

928-899-6499

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Ted Warner

3550 N. Central

(Name)
Phoenix, AZ 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Ted Warner

(Name)

3550 N. Central, Suite 1500

Phoenix, AZ 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Peeples Valley Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	8,843	2,319	6,524
307	Wells and Springs	102,419	76,910	25,509
311	Pumping Equipment	29,535	29,052	483
320	Water Treatment Equipment	25,797	7,769	18,028
330	Distribution Reservoirs and Standpipes	104,553	74,345	30,208
331	Transmission and Distribution Mains	147,739	105,014	42,725
333	Services	25,900	16,377	9,523
334	Meters and Meter Installations	20,025	12,465	7,560
335	Hydrants	5,099	464	4,635
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	1,183	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	471,083	325,899	145,193

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	8,843	3.3	292
307	Wells and Springs	102,419	3.3	3,380
311	Pumping Equipment	29,535	12.5	3,692
320	Water Treatment Equipment	25,797	20.0	5,159
330	Distribution Reservoirs and Standpipes	104,553	2.2	2,300
331	Transmission and Distribution Mains	147,739	2.0	2,955
333	Services	25,900	3.3	855
334	Meters and Meter Installations	20,025	8.3	1,662
335	Hydrants	5,099	2.0	102
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	20.0	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	471,083		20.397

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 7,746	\$ 7,077
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,282	10,310
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,738	2,856
162	Prepayments	2,028	2,857
174	Miscellaneous Current and Accrued Assets	52,577	48,084
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 76,372	\$ 71,184
	FIXED ASSETS		
101	Utility Plant in Service	\$ 461,527	\$ 471,083
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	305,822	325,894
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 155,705	\$ 145,189
	TOTAL ASSETS	\$ 232,077	\$ 216,373

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 57,771	\$ 33,467
232	Notes Payable (Current Portion)	9,556	12,896
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	426	392
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 67,753	\$ 46,755
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 31,156	\$ 51,104
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	10,730	11,493
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	121,722	121,722
272	Less: Amortization of Contributions	81,118	87,049
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 51,334	\$ 46,166
	TOTAL LIABILITIES	\$ 150,243	\$ 144,025
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	161,661	161,661
215	Retained Earnings	(79,827)	(89,313)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 81,834	\$ 72,358
	TOTAL LIABILITIES AND CAPITAL	\$ 232,077	\$ 216,373

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 96,912	\$ 94,485
460	Unmetered Water Revenue		
474	Other Water Revenues	498	1,296
	TOTAL REVENUES	\$ 97,410	\$ 95,781
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5,356	5,845
618	Chemicals	567	8,772
620	Repairs and Maintenance	7,785	17,591
621	Office Supplies and Expense		182
630	Outside Services	35,400	35,400
635	Water Testing	1,323	1,466
641	Rents	6,712	8,016
650	Transportation Expenses		
657	Insurance – General Liability	2,352	3,085
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		1,053
675	Miscellaneous Expense	741	816
403	Depreciation Expense & Amort. Expense	11,159	14,142
408	Taxes Other Than Income		
408.11	Property Taxes	4,084	5,485
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 75,479	\$ 101,853
	OPERATING INCOME/(LOSS)	\$ 21,931	\$ (6,072)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$ 17
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	2,941	3,432
	TOTAL OTHER INCOME/(EXPENSE)	\$ 2,941	\$ 3,415
	NET INCOME/(LOSS)	\$ 18,990	\$ (9,487)

COMPANY NAME **Peeples Valley Water Company**

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/10/97	04/23/04		
Source of Loan	Valley Bank Of Ariz.	Meridian Bank		
ACC Decision No.	60342	64047		
Reason for Loan	Plant Additions	Plant Additions		
Dollar Amount Issued	\$ 94,680	\$ 33,400	\$	\$
Amount Outstanding	\$ 31,156	\$ 32,843	\$	\$
Date of Maturity	12/10/07	04/23/14		
Interest Rate	Prime +1.5% %	Prime +1.5% %	%	%
Current Year Interest	\$ 2,094	\$ 1,338	\$	\$
Current Year Principle	\$ 9,556	\$ 557	\$	\$

Meter Deposit Balance at Test Year End

\$ 11,493

Meter Deposits Refunded During the Test Year

\$ 2,138

COMPANY NAME **Peeples Valley Water Company**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
625279	10	85	115	8	2	1970
563104	10	100	225	8	2	1988

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2.5	2	2	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80,000	2	5,000	1

COMPANY NAME Peeples Valley Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	3,800
5		
6	PVC	39,000
8	PVC	500
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	178
3/4	7
1	15
1 1/2	4
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

chlorine Injection both wells.
Yardney Separator & Excel Micron Filters (Well #2)

STRUCTURES:

Fencing around both well sites and storage tanks.

OTHER:

COMPANY NAME: Peeples Valley Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	204	640,700	618
FEBRUARY	202	693,000	845
MARCH	199	1,020,200	1,150
APRIL	203	1,096,700	1,610
MAY	206	1,938,200	2,216
JUNE	202	1,843,300	2,109
JULY	204	1,690,000	1,752
AUGUST	205	1,711,300	1,941
SEPTEMBER	207	1,190,600	1,399
OCTOBER	204	1,004,100	1,125
NOVEMBER	208	925,100	1,071
DECEMBER	209	570,000	655
TOTAL		N/A	16,491

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.001 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

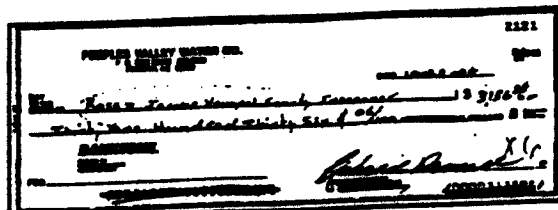
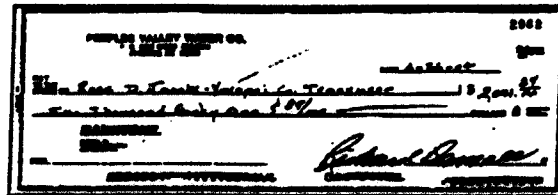
COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 5,178

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____



COMPANY NAME Peeples Valley Water Company

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

OCT 21 2005

AZ Corporation Commissioner
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa
NAME (OWNER OR OFFICIAL) TITLE Jerry Angle
COMPANY NAME Peoples Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

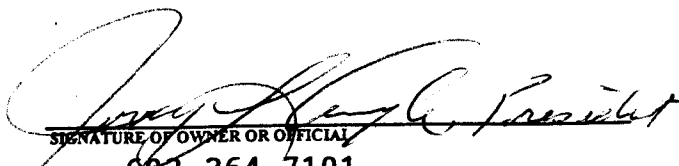
Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 100,579

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,107

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
602-264-7101
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

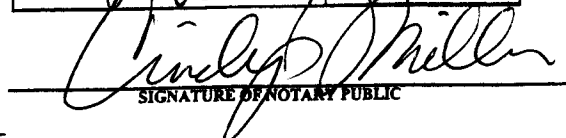
THIS

19th

DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>October</u> <u>2005</u>




SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

OCT 21 2005

VERIFICATION

AZ Corporation Commissioner
Director of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Jerry Angle	TITLE President
COMPANY NAME Peoples Valley Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2004
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 100,579

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,107
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL
602-264-7101

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

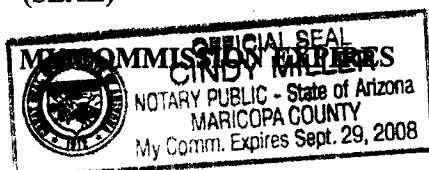
THIS

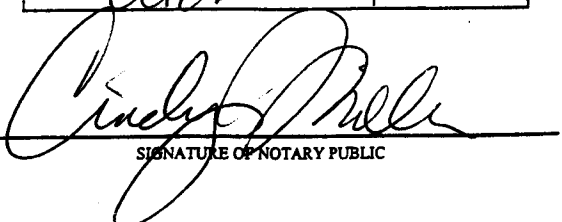
19th

DAY OF

NOTARY PUBLIC NAME Cindy L. Miller	
COUNTY NAME Maricopa	
MONTH October	, 20 05

(SEAL)



X 

SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

(See attached sheets)

PEEPLS VALLEY WATER COMPANY
Comparative Balance Sheets
for the 12 month period ended December 31, 2004 and 2003

GENERAL LEDGER ACCT.	SUB ACCOUNT	DESCRIPTION	2004	2003
<u>CURRENT ASSETS</u>				
131.000		CASH - PVWC (URS)	\$6,252.80	\$7,746.86
132.000		CASH - PVWC (CONST)	824.16	0.00
		TOTAL CASH	7,076.96	7,746.86
141.000		ACCT. REC. - CUST.	10,210.46	11,182.10
142.000		ACCT. REC. - OTHER	100.00	100.00
151.000		MATERIAL & SUPPLIES	2,855.59	2,738.35
174.000		PREPAYMENTS	2,856.70	2,027.75
		TOTAL CURRENT ASSETS	23,099.71	23,795.06
<u>FIXED ASSETS</u>				
101.000		PLANT IN SERVICE		
	304	STRUCT. & IMPROV.	8,843.47	5,330.28
	307	WELLS & SPRINGS	102,418.82	101,563.37
	311	PUMPING EQUIP.	55,332.10	52,354.28
	330	DIST. RESERVOIRS	104,553.31	104,553.31
	331	TRANS./DIST. MAINS	147,739.00	147,739.00
	333	SERVICES	25,899.96	25,464.96
	334	METERS	20,024.76	18,250.39
	335	HYDRANTS	5,088.74	5,088.74
	340	OFFICE EQUIP.	1,182.67	1,182.67
		TOTAL PLANT IN SERVICE	471,082.83	461,527.00
108.100		ACCUM. RES. FOR DEPRN.	(325,894.22)	(305,821.91)
		NET PLANT IN SERVICE	145,188.61	155,705.09
174.100		MISC. DEFERRED DEBITS	48,084.55	52,576.69
		TOTAL ASSETS	\$216,372.87	\$232,076.84
<u>LIABILITIES & EQUITY</u>				
<u>CURRENT LIABILITIES</u>				
231.000		ACCOUNTS PAYABLE	33,467.40	57,770.76
231.100		ACCRUED TAXES	0.00	0.00
236.000		SALES TAXES PAYABLE	392.37	425.84
		TOTAL CURRENT LIABILITIES	33,859.77	58,196.60
253.000		OTHER DEF. CREDITS	0.00	0.00
241.000		LONG-TERM DEBT	63,999.64	40,711.90
<u>EQUITY & EARNINGS</u>				
CONTRIBUTED CAPITAL				
252.000		ADVAN. FOR CONST.	11,493.00	10,730.50
271.000		C.I.A.C.	121,722.24	121,722.24
272.000		AMORT. OF C.I.A.C.	(87,048.85)	(81,118.09)
211.000		PAID IN CAPITAL	161,660.58	161,660.58
215.100		RETAINED EARNINGS	(79,826.89)	(98,816.61)
251.200		CURRENT YEAR EARNINGS	(9,486.62)	18,989.72
		TOTAL EQUITY & EARNINGS	118,513.46	133,168.34
		TOTAL LIAB. & EQUITY	\$216,372.87	\$232,076.84

PEEPLS VALLEY WATER COMPANY
Comparative Statement of Revenues and Expenses
for the 12 month period ended December 31, 2004 and 2003

GENERAL LEDGER ACCT.	SUB ACCOUNT	DESCRIPTION	2004	2003
<u>OPERATING REVENUES</u>				
461.000		METERED WATER SALES	\$94,484.66	\$96,911.89
471.000		OTHER WATER REVENUES	1,295.88	498.00
		TOTAL REVENUES	<u>95,780.54</u>	<u>97,409.89</u>
<u>OPERATING EXPENSES</u>				
615.000		POWER FOR PUMPING	5,845.02	5,356.02
616.000		WATER TESTING	1,466.30	1,322.44
619.000		WATER TREATMENT	8,772.49	567.53
620.000		OPER. & MAINT.		
	100	STRUCTURES	162.50	0.00
	200	WELLS & SPRINGS	10,700.81	3,219.87
	300	STORAGE	1,951.68	2,349.73
	400	TRANS/DIST MAINS	1,124.65	1,045.29
	500	SERVICES	2,746.12	237.50
	600	METERS	0.00	356.93
	800	OTHER	905.60	575.81
		TOTAL OPER. & MAINT.	<u>17,591.36</u>	<u>7,785.13</u>
621.000		OFFICE SUPPLIES	181.94	0.00
630.000		OUTSIDE SERVICES		
	100	MANAGEMENT CO.	35,400.00	35,400.00
	200	CONTRACT LABOR	0.00	0.00
	300	LEGAL/ACCOUNTING	0.00	0.00
	400	ENGINEERING	0.00	0.00
	500	OTHER	0.00	0.00
		TOTA OUTSIDE SERVICES	<u>35,400.00</u>	<u>35,400.00</u>
631.000		RATE CASE EXPENSE	1,051.76	0.00
640.000		RENTS	8,015.89	6,712.24
650.000		TRANSPORTATION	0.00	0.00
655.000		GENERAL INSURANCE	3,085.25	2,352.00
675.000		MISC. OPERATING EXPENSES		
	100	BANK SERVICE CHARGES	407.56	392.92
	200	COMM./PHONE	0.00	140.17
	300	PERMITS/LICENSES	408.32	45.00
	400	PUBLICATIONS	0.00	61.44
	500	TRAVEL	0.00	0.00
	800	OTHER MISC.	0.00	101.50
		TOTAL MISC. OPERTING EXP.	<u>815.88</u>	<u>741.03</u>
		TOTAL OPERATING EXP.	82,225.89	60,236.39
		NET OPERATING INCOME	13,554.65	37,173.50
403.000		DEPN. & AMORT. EXPENSE	14,141.55	11,159.44
681.000		PROPERTY TAXES	5,484.98	4,083.78
419.000		INTEREST INCOME	(17.41)	0.00
421.000		OTHER INCOME	0.00	0.00
426.000		OTHER EXPENSE	0.00	0.00
427.000		INTEREST EXPENSE	3,432.15	2,940.56
		TOTAL OTHER EXPENSES	<u>23,041.27</u>	<u>18,183.78</u>
		NET INCOME (LOSS)	<u>(\$9,486.62)</u>	<u>\$18,989.72</u>